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**傳承教育**

**LEGENDARY  
EDUCATION**

Stock Code: 8195

**LEGENDARY EDUCATION GROUP LIMITED**

**傳承教育集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8195)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “Directors”) of Legendary Education Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2024 (the “Interim Financial Statements”) together with the unaudited comparative figures for the corresponding period in 2023 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		<b>For the six months ended</b>	
		<b>30 September</b>	
		<b>2024</b>	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	5	<b>152,251</b>	132,786
Cost of sales		<b>(59,299)</b>	(58,419)
Other income		<b>630</b>	1,405
Other gains and losses, net	6	<b>(591)</b>	–
Selling and distribution expenses		<b>(14,798)</b>	(8,471)
Administrative and other expenses		<b>(50,102)</b>	(42,130)
Finance costs	7	<b>(597)</b>	(196)
Profit before taxation		<b>27,494</b>	24,975
Income tax expense	8	<b>(5,708)</b>	(4,769)
Profit and total comprehensive income for the period	9	<b>21,786</b>	20,206
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
Owners of the Company		<b>21,437</b>	20,838
Non-controlling interests		<b>349</b>	(632)
		<b>21,786</b>	20,206
		<i>HK cent</i>	<i>HK cent</i>
Earnings per share	<i>11</i>		
Basic		<b>4.88</b>	5.23
Diluted		<b>4.15</b>	4.69

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At <b>30 September</b> <b>2024</b>	At 31 March 2024
	<i>NOTES</i>	<i>HK\$'000</i> <b>(unaudited)</b>	<i>HK\$'000</i> <b>(audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	<b>29,678</b>	24,989
Intangible assets		<b>510</b>	510
Goodwill		<b>177,764</b>	177,764
Loan receivables	13	<b>1,105</b>	1,105
Prepayment and deposits	14	<b>2,258</b>	2,436
		<hr/> <b>211,315</b>	<hr/> 206,804
<b>Current assets</b>			
Financial assets at fair value through profit or loss		<b>20,810</b>	13,383
Trade and other receivables	14	<b>94,379</b>	106,108
Loan receivables	13	<b>81,243</b>	39,981
Cash and cash equivalents		<b>80,502</b>	68,222
		<hr/> <b>276,934</b>	<hr/> 227,694
<b>Current liabilities</b>			
Trade and other payables	15	<b>10,068</b>	17,708
Contract liabilities		<b>16,205</b>	28,236
Bank and other borrowings		<b>4,405</b>	4,682
Lease liabilities		<b>10,964</b>	11,938
Tax payable		<b>10,144</b>	9,032
Provision for litigation		<b>1,735</b>	1,735
		<hr/> <b>53,521</b>	<hr/> 73,403
<b>Net current assets</b>		<hr/> <b>223,413</b>	<hr/> 154,201
<b>Total assets less current liabilities</b>		<hr/> <b>434,728</b>	<hr/> 361,005

		At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
<b>Non-current liability</b>			
Other payables	15	24,409	24,409
Lease liabilities		3,372	3,692
Deferred tax liabilities		524	524
Convertible bond		15,000	–
		<u>43,305</u>	<u>28,625</u>
<b>Net assets</b>		<u>391,423</u>	<u>332,380</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	16	222	210
Reserves		389,811	331,129
<b>Equity attributable to owners of the Company</b>		<u>390,033</u>	331,339
<b>Non-controlling interests</b>		<u>1,390</u>	<u>1,041</u>
<b>Total equity</b>		<u><u>391,423</u></u>	<u><u>332,380</u></u>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2024*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares have been listed on the GEM of The Stock Exchange since 10 October 2014. The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands and 5/F., World Interest Building, 8 Tsun Yip Lane, Kwun Tong, Hong Kong, respectively.

The Company is an investment holding company. The Group is principally engaged in the manufacturing and sales of OEM garment products; retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand; provision of loan services; provision of financial quotient and investment education courses, property investment and provision of private supplementary education services.

## 2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

This Interim Financial Statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report for the year ended 31 March 2024 (the "2024 Annual Report").

The adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to the Group and effective for the financial year begin on or after 1 April 2024 had no significant effects on the results and financial position of the Group for the current or prior accounting periods have been prepared or presented. At the date of authorisation of the Interim Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those adopted in the 2024 Annual Report.

The Interim Financial Statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The Interim Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values.

#### 4. ESTIMATES

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2024 Annual Report.

#### 5. REVENUE AND SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's executive Directors (the chief operating decision maker) ("CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) OEM Business: manufacturing and sales of OEM garment products;
- (ii) Retail Business: retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand;
- (iii) Money Lending Business: provision of loan services;
- (iv) Financial Quotient and Investment Education Business: provision of financial quotient and investment education courses for the customers;
- (v) Property Investment Business: investing properties in Asia Pacific region to general rental income and to gain from the appreciation in the properties' values in the long term; and
- (vi) Private supplementary education business: Provision of private supplementary education services.

##### (a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive Directors monitor the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment results represents pretax profit/loss incurred from each segment without allocation of other income, other gains and losses, certain corporate expenses and finance costs. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segments assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include provisions, lease liabilities and trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's executive Directors for the purposes of resources allocation and assessment of segment performance for the six months ended 30 September 2024 and 2023 is set out below:

	Six months ended 30 September 2024						Total HK\$'000 (Unaudited)
	OEM Business HK\$'000 (Unaudited)	Retail Business HK\$'000 (Unaudited)	Money Lending Business HK\$'000 (Unaudited)	Financial Quotient and Investment Education Business HK\$'000 (Unaudited)	Property Investments Business HK\$'000 (Unaudited)	Private Supplementary Education Business HK\$'000 (Unaudited)	
<b>Reportable segment revenue:</b>							
Disaggregated by timing of revenue recognition							
Goods transferred at a point in time	-	-	-	111,428	-	38,896	150,324
Revenue from other resources	-	-	1,927	-	-	-	1,927
Revenue from external customers	<u>-</u>	<u>-</u>	<u>1,927</u>	<u>111,428</u>	<u>-</u>	<u>38,896</u>	<u>152,251</u>
<b>Reportable segment (loss) profit</b>	(33)	-	1,860	37,839	-	2,349	42,015
Fair value change on financial assets through profit and loss							(591)
Other income							630
Finance cost							(597)
Corporate expenses							<u>(13,963)</u>
Profit before taxation							<u>27,494</u>

				Financial Quotient and		Private	
	OEM	Retail	Money	Investment	Property	Supplementary	
	Business	Business	Lending	Education	Investments	Education	Total
	HK\$'000	HK\$'000	Business	Business	Business	Business	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>As at 30 September 2024</b>							
<b>Assets</b>							
Reportable segment assets							
(including interest in associates)	3,984	-	88,737	80,250	1	46,160	219,132
Goodwill							177,764
Financial assets at fair value through profit or loss							20,810
Unallocated head office and corporate assets							70,543
							<u>488,249</u>
Consolidated total assets							<u><u>488,249</u></u>
<b>Liabilities</b>							
Reportable segment liabilities	36	-	484	41,072	-	16,130	57,722
Other payable for acquisition of subsidiaries							27,917
Unallocated head office and corporate liabilities							11,187
							<u>96,826</u>
Consolidated total liabilities							<u><u>96,826</u></u>



## Six months ended 30 September 2023

	OEM Business		Money Lending Business	Financial Quotient and Investment Education Business	Property Investments Business	Private Supplementary Education Business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Reportable segment revenue:</b>							
Disaggregated by timing of revenue recognition							
Goods transferred at a point in time	290	-	-	99,024	-	31,766	131,080
Revenue from other resources	-	-	1,706	-	-	-	1,706
	<u>290</u>	<u>-</u>	<u>1,706</u>	<u>99,024</u>	<u>-</u>	<u>31,766</u>	<u>132,786</u>
Revenue from external customers	<u>290</u>	<u>-</u>	<u>1,706</u>	<u>99,024</u>	<u>-</u>	<u>31,766</u>	<u>132,786</u>
<b>Reportable segment profit</b>	66	-	1,154	32,330	-	(1,949)	31,601
Other income							1,405
Finance cost							(196)
Corporate expenses							<u>(7,835)</u>
Profit before taxation							<u>24,975</u>

	OEM Business HK\$'000 (Unaudited)	Retail Business HK\$'000 (Unaudited)	Money Lending Business HK\$'000 (Unaudited)	Financial Quotient and Investment Education Business HK\$'000 (Unaudited)	Property Investments Business HK\$'000 (Unaudited)	Private Supplementary Education Business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>As at 30 September 2023</b>							
<b>Assets</b>							
Reportable segment assets (including interest in associates)	370	5,165	60,641	69,428	4	46,202	181,810
Goodwill							177,764
Financial assets at fair value through profit or loss							11,930
Unallocated head office and corporate assets							<u>51,164</u>
Consolidated total assets							<u><u>422,668</u></u>
<b>Liabilities</b>							
Reportable segment liabilities	70	126	584	53,791	-	17,889	72,460
Other payable for acquisition of subsidiaries							46,986
Unallocated head office and corporate liabilities							<u>2,479</u>
Consolidated total liabilities							<u><u>121,925</u></u>

There was no inter-segment revenue for the six months ended 30 September 2024 and 2023.

**(b) Revenue from major products and services**

The following is an analysis of the Group's revenue from its major products and services:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Garment products	–	290
Interest income from loan receivables	<b>1,927</b>	1,706
Tuition fee from financial quotient and education courses	<b>111,428</b>	99,024
Tuition fee from private supplementary education services	<b>38,896</b>	31,766
	<b>152,251</b>	<b>132,786</b>

**(c) Geographical information**

The following is an analysis of geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Hong Kong (place of domicile)	<b>152,251</b>	<b>132,786</b>

**6. OTHER GAINS AND LOSSES, NET**

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Fair value change on financial assets through profit or loss	<b>(591)</b>	–
	<b>(591)</b>	–

## 7. FINANCE COSTS

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
Convertible bond	436	–
Other borrowings	22	25
Lease liabilities	139	171
	<u>597</u>	<u>196</u>

## 8. INCOME TAX EXPENSE

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Hong Kong Profits Tax (Note)		
– current period	<u>5,708</u>	<u>4,769</u>

### Notes:

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

## 9. PROFIT FOR THE PERIOD

	For the six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Directors' remuneration:		
– Fees	1,020	867
– Other emoluments, salaries and other benefits	804	804
– Retirement benefit scheme contributions	9	9
	<hr/>	<hr/>
	1,833	1,680
Other staff salaries and allowances	70,172	57,324
Retirement benefit scheme contributions, excluding those of Directors	613	500
	<hr/>	<hr/>
Total employee benefits expenses	72,618	59,504
Cost of inventories recognised as an expense	–	222
Depreciation of property, plant and equipment	4,123	3,094
	<hr/> <hr/>	<hr/> <hr/>

## 10. DIVIDEND

The Board of directors do not recommend any payment of an interim dividend for the six months ended 30 September 2024 (2023: HK\$Nil per share).

## 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	<b>21,437</b>	20,838
	<i>'000</i>	<i>'000</i>
<b>Shares</b>		
Weighted average of number of ordinary shares in issue during the period used in the basic earnings per share calculation	<b>439,508</b>	398,816
Effect of dilution – weighted average number of ordinary shares Share options	<b>77,455</b>	45,289
	<b>516,963</b>	444,105

## 12. PROPERTY, PLANT AND EQUIPMENT/INVESTMENT PROPERTY

During the six months ended 30 September 2024, additions of property, plant and equipment amounted to approximately HK\$8,800,000 (additions for the year ended 31 March 2024: approximately HK\$10,329,000).

### 13. LOAN RECEIVABLES

	At <b>30 September</b> <b>2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	At 31 March 2024 <i>HK\$'000</i> (audited)
Fixed-rate loan receivables analysed for reporting purpose as:		
Non-current asset	1,105	1,105
Current asset	<u>81,243</u>	<u>39,891</u>
	<u><b>82,348</b></u>	<u><b>40,996</b></u>

The ranges of effective interest rates on the Group's loan receivables are as follows:

	At <b>30 September</b> <b>2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	At 31 March 2024 <i>HK\$'000</i> (audited)
Effective interest rate:		
Fixed-rate loan receivables	<u><b>5.0% to</b></u> <u><b>15.0% p.a.</b></u>	<u>5.0% to</u> <u>12.0% p.a.</u>

The Group holds collaterals for certain loan receivables. In the event of default or failure to repay any outstanding amounts by the debtors, the Group will proceed with sales of collaterals. Interest rates are offered based on the assessment of a number of factors including the borrowers' credit worthiness and repayment abilities, collaterals as well as the general economic trends.

#### 14. TRADE AND OTHER RECEIVABLES

	At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
Trade receivables, net of loss allowance	9,607	4,607
Other receivables	26,743	24,696
Temporary receipts	19,246	13,038
Other deposits	8,000	28,760
Deposit for decoration of education centre	2,984	2,480
Deposit paid to brokers	5,422	14,298
Prepayments	19,166	15,196
Rental deposit	5,469	5,469
	<u>96,637</u>	<u>108,544</u>
Representing:		
Current	94,379	106,108
Non-current	2,258	2,436
	<u>96,637</u>	<u>108,544</u>

All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

The Group allows credit period ranging from 30 days to 180 days to customers from OEM Business. For Retail Business, its revenue mainly comprises of credit sales. Trade receivables under credit sales are due within 6 months. The Group allows credit period ranging from 30 days to 60 days to customers from Wholesaling Business.

As of the end of the reporting period, an ageing analysis of the trade receivables net of loss allowances presented based on the invoice date is as follows:

	At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
Within 30 days	8,607	4,607
Over 90 days	1,000	–
	<u>9,607</u>	<u>4,607</u>



## 15. TRADE AND OTHER PAYABLES

	At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
Trade payables	–	–
Accrued staff salaries	3,120	6,876
Other accruals and payables	3,440	6,396
Other payable for acquisition of subsidiaries	<u>27,917</u>	<u>28,917</u>
	<u><b>34,477</b></u>	<u><b>42,189</b></u>
Analysed as:		
– Current	10,068	17,780
– Non-current	<u>24,409</u>	<u>24,409</u>
	<u><b>34,477</b></u>	<u><b>42,189</b></u>

- (a) An ageing analysis of the trade payables as at the end of the reporting period based on the invoice date is as follows:

	At 30 September 2024 <i>HK\$'000</i> (unaudited)	At 31 March 2024 <i>HK\$'000</i> (audited)
Over 90 days	<u>–</u>	<u>–</u>

- (b) All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.
- (c) The balances are unsecured, interest free, repayable on demand and will be settled in cash.

## 16. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
<b>Authorised:</b>		
– At 31 March 2024 and 30 September 2024, ordinary shares of HK\$0.0005 each	<u>1,000,000,000,000</u>	<u>500,000</u>
<b>Issued and fully paid:</b>		
– At 31 March 2024 and 1 April 2024, ordinary shares of HK\$0.0005 each	419,279,264	210
– Exercise of share options	1,000,000	1
– Placement of shares (note)	<u>22,656,000</u>	<u>11</u>
– At 30 September 2024, ordinary shares of HK\$0.0005 each	<u>442,935,264</u>	<u>222</u>

*Note:*

On 23 April 2024, the Company issued 22,656,000 ordinary shares at the issued price of HK\$1.32 per share for a total cash consideration of approximately HK\$30,000,000 (before expense) for the potential expansion of the existing principal business of the Group as well as provision of additional working capital and general corporate purposes.

## 17. RELATED PARTY DISCLOSURES

### (a) Transaction and balances with related parties

Saved as disclosed elsewhere in this announcement, the Group had the following transactions and balances with related parties during the period:

	For the six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
<b>Company directly wholly-owned by Ms. Mak Louisa Ming Sze</b>		
– Consultant fee paid	<u>500</u>	<u>74</u>

**(b) Compensation of key management personnel**

The remuneration of directors of the Company and other members of key management personnel of the Group during the period was as follows:

	<b>For the six months ended</b>	
	<b>30 September</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Salaries, wages and other benefits	<b>6,012</b>	5,557
Equity-settled share option expense	<b>1,242</b>	–
Contributions to defined contribution retirement plans	<b>9</b>	9
	<hr/>	<hr/>
	<b>7,263</b>	<b>5,566</b>
	<hr/> <hr/>	<hr/> <hr/>

**18. LITIGATION**

During the year ended 31 March 2019, the Group received a writ of summons in relation to a repudiatory breach of a tenancy agreement between the plaintiff, an independent third party landlord, and Sino Shine Retailing Limited, a former subsidiary of the Group, entered into on 27 October 2016, which the plaintiff is claiming the Group for, inter alia, damages in the sum of approximately HK\$1,735,000 plus interest. As the directors of the Group consider that it is probable that an outflow of economic benefits will be required to settle the obligation, the Group recognised the provision of HK\$1,735,000 which is considered as a reliable estimate that can be made.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

The Group principally derives its revenue from the following business arms: (i) OEM business segment, which entails product design and development, raw materials sourcing and procurement, manufacturing and product quality control management (the “OEM Business”); (ii) apparel retail business segment, which entails designing, procuring, manufacturing, marketing and retailing of pure cashmere apparel and other apparel products as well as accessories through the retail network in Hong Kong under the Group’s own brand and high-end fashion brand (the “Retail Business”); (iii) money lending business segment, which provides financing to customers for interest income (“Money Lending Business”); (iv) financial quotient and investment education business segment, which provides financial quotient and investment education courses for the customers in return of tuition fees from them (“Financial Quotient and Investment Education Business”); (v) property investment business (“Property Investment Business”); and (vi) private supplementary education business segment, which provides private supplementary education courses for the students in return of tuition fees from them (“Private Supplementary Education Business”).

### **OEM BUSINESS**

The garment sector of the consumer market has experienced a downturn in recent years. Meanwhile, the Company currently has no intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on disposal, termination and/or scaling-down of the Company’s OEM business. The Group will monitor the OEM business environment, market sentiment, and customer behaviors. The Group will also focus on developing and expanding the customer base by diversifying services in the OEM business.

### **RETAIL BUSINESS**

While the economic slowdown in the People’s Republic of China (the “PRC”) and the shifting of pattern to online shopping further negatively impacted the Retail Business.

Under such an unfavorable ambience, the Group has adopted a prudent approach in restructuring its sales network aiming at minimising the operating costs amid meeting the shift of consumers’ preference towards shopping online.

## **MONEY LENDING BUSINESS**

The Group obtained the money lender licence and commenced Money Lending Business from June 2016. During the six months ended 30 September 2024, the Money Lending Business had generated interest income of approximately HK\$1.9 million. The Group expects that the worsening business environment in Hong Kong may affect the loan demand and lending risks of the Group.

Therefore, the Group will continue to evaluate its risk management measures and ensure a proper balance between return and risk in the long run.

## **FINANCIAL QUOTIENT AND INVESTMENT EDUCATION BUSINESS**

During the year ended 31 March 2021, the Group established the Financial Quotient and Investment Education Business. The Group provides financial quotient and investment education courses for the customers, aiming at enhancing their knowledge in the areas of finance and investment. The Group in return earns tuition fee income from the provision of courses. During the six months ended 30 September 2024, several courses were concluded with notable success, generating approximately HK\$111.4 million in revenue. This represents a 12.5% increase compared to the approximately HK\$99.0 million earned during the same period in 2023.

## **PROPERTY INVESTMENT BUSINESS**

The Group also established the Property Investment Business during the year ended 31 March 2020. The Group will keep seeking for opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region.

## **PRIVATE SUPPLEMENTARY EDUCATION BUSINESS**

In August 2021, the Group resolved to develop the business of provision of private supplementary education services as a new business of the Group. Private supplementary education services play a supplemental role to regular schools, helping students deepen their understanding of what they have learnt in classes, improve their school grades and better prepare themselves for public examinations. Private supplementary education services, especially those for local secondary school students, have been in high demand in Hong Kong.

As at 30 September 2024, each of the education centers located in Causeway Bay, Kowloon Bay, Prince Edward, Tsuen Wan and Mongkok has obtained the “Certificate of Registration of A School” granted by the Education Bureau of Hong Kong. The education center located in Tuen Mun has also obtained the “Certificate of Provisional Registration of A School” granted by the Education Bureau of Hong Kong.

During the six months ended 30 September 2024, the Private Supplemental Education Business had generated revenue of approximately HK\$38.9 million, representing an increase of approximately 22.3% as compared to that of approximately HK\$31.8 million for the corresponding period in 2023.

## **PROSPECTS**

For the OEM Business and Retail Business, the management of the Group (the “Management”) is committed to strengthening the customer base. The Group will continue to find new orders and customers.

For Money Lending Business, the Group will continue to expand in a prudent and balanced risk management approach.

For the Financial Quotient and Investment Education Business, the Group will (i) invest resources to expand the market share, and (ii) strive to broaden its customer base. The Group is also seeking for opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region. Whilst the Group remains focused on developing its existing businesses, in particular the Investment Education Business, it has been the business strategy of the Group to proactively seek potential investment opportunities in order to enhance value of the Shareholders.

The Group commenced the business of provision of private supplementary education services. The Board is optimistic on the prospects of the demand for the private tutorial classes and considers that the new business of the private supplementary education services will further enhance the Company’s financial performance as well as the value of the Shareholders.

The Group and Hong Kong Victoria Harbour Education Group Limited (“Victoria Harbour Education”) has entered into a cooperation agreement in relation to business cooperation (the “Cooperation”) regarding the provision of tutoring services for the Hong Kong Diploma of Secondary Education Examination (“HKDSE”) in the Guangdong Province of the PRC, including but not limited to the campus(es) of the three renowned schools operated by Victoria Harbour Education and its associated companies, namely, the Affiliated School of JNU for Hong Kong and Macao Students in Guangzhou (being designated and approved as one of the two HKDSE participating schools in the PRC and the Mainland Pilot Centres for the HKDSE in 2024), the Affiliated School of JNU for Hong Kong and Macao Students in Dongguan and the Affiliated School of JNU for Hong Kong and Macao Students in Foshan.

It is the intention of the Group to capitalise on the Cooperation for extending the reach of its private supplementary education business across the PRC. Since the promulgation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area in 2019, a rise in demand was observed for education services catering to the children of Hong Kong citizens studying in the PRC. With (i) the growing number of schools in the PRC offering Hong Kong education curriculum to meet the aforesaid rising demand; and (ii) the growing recognition of the HKDSE qualification by tertiary institutions worldwide, the Group is confident in the increasing popularity of the HKDSE route among students in the PRC as it may serve as another alternative and attractive pathway for pursuing higher education. Leveraging its expertise, well-established capabilities and strong reputation, the Group is poised to capture such potential upside in the PRC market by further extending and solidifying its foothold within this market segment.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue increased from approximately HK\$132.8 million for the six months ended 30 September 2023 to approximately HK\$152.3 million for the six months ended 30 September 2024, representing an increase of approximately 14.7%, which was mainly driven by the strong performance of the "Financial Quotient and Investment Education Business" and the "Private Supplementary Education Business".

For the Financial Quotient and Investment Education Business, several courses were concluded with notable success, generating approximately HK\$111.4 million in revenue. This represents a 12.5% increase compared to the approximately HK\$99.0 million earned during the same period in 2023.

For the business of provision of private supplementary education services, it had achieved encouraging result with tuition income of approximately HK\$38.9 million for the six months ended 30 September 2024. It represented a significant increase of approximately 22.3% as compared to the same period in 2023.

For the Money Lending Business, it had generated income of approximately HK\$1.9 million for the six months ended 30 September 2024 respectively.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the six months ended 30 September 2024 and 30 September 2023.

	<b>Six months ended 30 September</b>			
	<b>2024</b>		<b>2023</b>	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
OEM Business	–	<b>0.0</b>	290	0.2
Retail Business	–	<b>0.0</b>	–	0.0
Money Lending Business	<b>1,927</b>	<b>1.3</b>	1,706	1.3
Financial Quotient and Investment Education Business	<b>111,428</b>	<b>73.2</b>	99,024	74.6
Property Investment Business	–	<b>0.0</b>	–	0.0
Private Supplementary Education Business	<b>38,896</b>	<b>25.5</b>	31,766	23.9
	<b>152,251</b>	<b>100.0</b>	132,786	100.0

### **Cost of sales**

The Group's cost of sales increased by 1.5% to approximately HK\$59.3 million for the six months ended 30 September 2024 as compared to the six months ended 30 September 2023. The increase was mainly attributable to the increase in the cost of sales of the Financial Quotient and Investment Education Business and Private Supplementary Education Business during the six months ended 30 September 2024.

### **Expenses**

Selling and administrative expenses for the six months ended 30 September 2024 was approximately HK\$64.9 million (2023: HK\$50.6 million), representing an increase of 28.3% which was mainly because of share options expense as well as marketing expense.

### **Profit for the period**

The profit for the six months ended 30 September 2024 was approximately HK\$21.8 million. The profit for the six months ended 30 September 2023 was approximately HK\$20.2 million. Such increase in profit was primarily attributable to the growth in the Group's Financial Quotient and Investment Education business and Private Supplementary Education business.



## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 30 September 2024, the share capital and equity attributable to owners of the Company amounted to approximately HK\$222,000 and HK\$390.0 million respectively (31 March 2024: approximately HK\$210,000 and HK\$331.3 million respectively).

As at 30 September 2024, the Group had approximately HK\$80.5 million in bank balances and cash (31 March 2024: approximately HK\$68.2 million). The Group's total borrowings (including promissory note and convertible bond) were approximately HK\$19.4 million (31 March 2024: HK\$4.7 million). The gearing ratio was approximately 5.0% at 30 September 2024 (31 March 2024: 1.4%).

*Note:*

Gearing ratio is calculated as the total debt (borrowings) divided by total equity.

### **Capital Expenditure and Commitments**

Details of capital expenditure are set out in Note 12 to the Interim Financial Statements. Save as disclosed in this announcement, the Group did not have any significant capital commitments as at 30 September 2024.

### **CHANGE OF COMPANY NAME**

On 2 June 2023, the Company changed its English name from “Legendary Group Limited” to “Legendary Education Group Limited” and adopted the Chinese name “傳承教育集團有限公司” as its dual foreign name to replace its former Chinese name “創天傳承集團有限公司” (the “Change of Company Name”). Further details of the Change of Company Name were set out in the announcement of the Company dated 7 March 2023 and 2 June 2023, and the circular of the Company dated 7 March 2023. The Change of Company Name was registered with the Registrar of Companies in Hong Kong on 5 May 2023. Following the Change of Company Name becoming effective, the stock short name of the Company has been changed from “LEGENDARY GROUP” in English and “創天傳承” in Chinese to “LEGENDARY EDU” in English and “傳承教育集團” in Chinese with effect from 9:00 a.m. on 7 June 2023. The Company also adopted a new company logo with effect from 2 June 2023.

## **Significant investments, acquisitions and disposals, and Plans for Material Investment or Capital Assets**

Save as disclosed in this announcement, there were no significant investment held, material acquisitions or disposal of subsidiaries and affiliated companies as at 30 September 2024.

Save as disclosed in this announcement, there was no future plan for material investments or capital assets as at 30 September 2024.

## **Contingent Liabilities**

Save as disclosed in this announcement, the Group had no material contingent liabilities as at 30 September 2024.

## **Foreign Exchange Risk**

The Group's business operations are denominated mainly in HK\$. The Group's assets and liabilities are mainly denominated in HK\$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2024, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in Shares and underlying shares of the Company:

Name of Directors	Capacity	Number of Shares held	Number of Options held	Total	Percentage of the Company's issue share as at 30 September 2024 (%)
Chan Lap Jin Kevin	Beneficial owner	33,982,080	7,526,400	41,508,480	9.37
Yuen Yu Sum	Beneficial owner	6,904,480	7,526,400	14,430,880	3.26
Chung Chin Kwan	Beneficial owner	1,135,200	–	1,135,200	0.26
	Interest of spouse	184,800 (Note 1)	–	184,800	0.04
Law Wing Chung	Beneficial owner	211,200	1,250,800	1,462,000	0.33

*Note:*

(1) 184,800 shares are owned by Ms. Lam Ka Yee, who is the spouse of Mr. Chung Chin Kwan.

Saved as disclosed above, as at 30 September 2024, none of the Directors and chief executives of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

## **DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES**

Save as disclosed under the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION", as at 30 September 2024, neither the company, holding company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the company or any other body corporate, and none of the directors and chief executive of the company or their spouses or children under the age of 18, had any right to subscribe for the securities of the company, or had exercised any such rights.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

So far as the Directors are aware, as at 30 September 2024, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations” above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

### **Long positions in shares and underlying shares of the Company**

<b>Name of shareholder</b>	<b>Capacity/ Nature of interests</b>	<b>Number of ordinary shares</b>	<b>Percentage of the Company’s issue share capital</b>
Lui Yu Kin	Beneficial owner	63,012,320	14.23

## **CORPORATE GOVERNANCE PRACTICES**

The Group’s corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix 15 to the GEM Listing Rules.

During the six months ended 30 September 2024 and up to the date of this announcement, save for the deviation from code provision A.2.1 of the Code which explained below, the Company has applied the principles and complied with all the applicable code provisions of the Code contained in Appendix 15 to the GEM Listing Rules.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)**

Under the code provision A.2.1 of the Code, the roles of the chairman and the CEO should be separate and should not be performed by the same individual. Mr. Yuen Yu Sum was appointed as the chairman of the Board on 14 April 2021. The Board is in the process of finding an appropriate person to fill the vacancy of the CEO as soon as practicable. Meanwhile, the Board considers that the existing Board members are able to share the power and responsibilities of CEO among themselves.

## **COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS**

The Group adopted the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors’ securities transactions in securities of the Company.

Upon the Group’s specific enquiry, each Director confirmed that he/she had fully complied with the required standard of dealings and there was no event of non-compliance during the six months ended 30 September 2024 and up to the date of this announcement.

## **PURCHASE, SALES OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities for the six months ended 30 September 2024.

## **DIRECTORS’ INTEREST IN COMPETING BUSINESS**

The Directors confirm that none of the Directors and their respective close associates (as defined in the GEM Listing Rules) had an interest in any business which competed or was likely to compete, either directly or indirectly with the Group’s business during the six months ended 30 September 2024.

### **Compliance Committee**

The Company established a compliance committee (the “Compliance Committee”) with effect from 20 June 2022. The Compliance Committee is responsible for overseeing the regulatory compliance with all relevant rules and regulations applicable to the Company, including but not limited to, the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”), the Securities and Futures Ordinance, and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (together, “Applicable Laws”).

The members of the Compliance Committee consist of two independent non-executive Directors and one executive Director. The Board has appointed Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie, both being independent non-executive Directors and Mr. Yuen Yu Sum, being the chairman of the Board and an executive Director, as members of the Compliance Committee. Mr. Chung Chin Kwan has been appointed as the chairman of the Compliance Committee.

The terms of reference of the Compliance Committee will be made available on the Company's website at <http://www.legendaryedu.com> and the Stock Exchange's website at <http://www.hkexnews.hk>.

With the aim to implement the Independent Consultant's recommendation and strengthen the regulatory compliance function of the Group, the Company has engaged White & Case, an independent Hong Kong legal adviser, to provide consultation on Applicable Laws compliance to the Group for a period starting from 1 July 2024.

## **AUDIT COMMITTEE**

The Company has established the audit committee (the "Audit Committee") with terms in compliance with the Code as set out in Appendix 15 to the GEM Listing Rules. The duties of the Audit Committee are to primary review financial statements of the Group and oversee internal control procedures and risk management of the Group.

As at the date of this announcement, the Audit Committee consists of 3 independent non-executive Directors, namely Mr. Chan Kim Fai Eddie, Mr. Chung Kwok Pan and Mr. Chung Chin Kwan. Mr. Chan Kim Fai Eddie is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the Interim Financial Statements and is of the opinion that the preparation of such statements complied with the applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the websites of the GEM and the Company ([www.legendaryedu.com](http://www.legendaryedu.com)). The interim report of the Company for the six months ended 30 September 2024 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites.

By order of the Board  
**Legendary Education Group Limited**  
**Yuen Yu Sum**  
*Chairman and Executive Director*

Hong Kong, 29 November 2024

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yuen Yu Sum (Chairman) and Mr. Chan Lap Jin Kevin; three non-executive Directors, namely, Mr. Law Wing Chung, Dr. Tang Sing Hing Kenny and Ms. Mak Louisa Ming Sze; and three independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie and Mr. Chung Kwok Pan.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the "Latest Company Announcements" page of the Stock Exchange's website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the website of the Company at <http://www.legendaryedu.com>.*